

~~SECRET~~DF3-1650
Copy 3 of 4

23 June 1958

Dear Walt:

Contract No. BC-450 with Hyeon Mfg. Company is a time and material type effective for the period 1 July 1956 through 30 June 1958. The contract is being renewed for the period 1 July 1958 through 30 June 1959.

During the week of 13 April 1958 negotiations were held with the Company and amounts or rates were fixed for the second, third and fourth periods. Rates and/or final amounts by periods are set forth below:

1st Period - 1 July 1956-31 Jan. 1957 - Hourly Rates originally fixed at time of entering into the contract.

2nd Period - 1 Feb. 1957 - 30 June 1957 - Fixed Amount \$153,000.00

3rd Period - 1 July 1957 - 31 Jan. 1958 - " " \$278,483.23

4th Period - 1 Feb. 1958 - 30 June 1958 - Fixed Hourly Rates

The Contractor has claimed and been paid the following amounts for the 1st Period:

	<u>Amount Claimed</u>	<u>Amount Paid</u>
Customer No. A	\$183,563.14	\$182,998.93
Customer No. B	8,060.44	8,060.44
Total -	\$191,623.58	\$191,059.37

The Contractor has claimed and been paid the following amounts through their April 1958 claim for the 4th Period:

	<u>Amount Claimed</u>	<u>Disapproved</u>	<u>Suspended</u>	<u>Amount Paid</u>
Customer No. A	\$111,282.54	\$429.69	\$5,000.00	\$105,852.85
Customer No. B	82,596.23	486.43	-0-	82,109.80
TOTAL -	\$193,878.77	\$916.12	\$5,000.00	\$187,962.65

DOCUMENT NO.

NO CHANGE IN CLASS. **X**

17 FEB 1959

CLASS. BY: 2012

EXEMPT FROM DECLASS.

AUTHORITY: E.O. 12958

Prior to our considering the amounts paid during the first and fourth periods as final, it is requested that you review the Contractor's records to the extent you feel necessary to enable you to indicate the amounts paid as being correct. In the event the amounts paid are not correct, please advise as to the acceptable amounts and the reasons for non-acceptance or questioning of other amounts. Of course, the hourly rates are fixed as indicated above for these two periods so your audit need not include validity of the rates.

Also, conduct a property audit for the four periods. It is our hope to effect final settlement for the first four periods. Subsequent audit can then be conducted by 6 month periods, thereby enabling us to liquidate surplus funds, if any, on a more timely basis.

Very truly yours,

Dan

DPS/DCI:HL:pf

Distr:

- Orig - [REDACTED] AF Auditor
2 - BC-450 (Prop.Sec. w/DPS-14424 & SAPC-26696)
✓ 3 - Finance
4 - Chrono

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STATINTL

[REDACTED] 6/23/58
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